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SUBJECT: PREVIEW OF EU TROIKA'S AGENDA FOR S/E STERN'S AUGUST

MEETING

- 11. (SBU) Summary: Swedish Environment Minister Carlgren, who will head the EU troika in its Washington meeting with S/E Stern, wants to talk comparability, financing, and coordination of approaches to China and other key emerging economies. DCM suggested that the EU troika be prepared to focus on the strategic game plan for achieving progress on all four pillars of the UNFCCC process, and that the Swedish Government takes a low-key public affairs posture in the fall, so as to not raise expectations about Copenhagen. Looking ahead, the EU time schedule focuses on an EU Environment Council meeting October 21. Carlgren would like Sweden to host a November MEF meeting, if there will be a November MEF, and he is seeking full Cabinet approval for this possibility. End summary.
- 12. (SBU) On August 19, we met with Environment Minister Andreas Carlgren and staffers who will accompany Carlgren to Washington for the EU troika visit next week: Climate Ambassador Staffan Tillander, and political advisors Gunnar Caperius and Karin Rappsjo.
- 13. (SBU) Carlgren told us that after the July 24-25 EU Environment Council meeting in Sweden, he has a good sense of where the EU is on the climate change talks. During the meetings in Washington next week, Carlgren sees discussions around the following issues:
- -- Compare notes regarding our expectations for the September MEF meeting, the UNSYG Climate Summit, and the G20 Summit in Pittsburg.
- -- Comparability (most important issue, according to Carlgren):
 Carlgren said that the MEF declaration was an important step
 forward. He now wants to discuss what "credible pathways consistent
 with the 2 degree target" means for the U.S., the EU, for Annex 1
 countries. Carlgren believes that we need to broaden the discussion
 about the mid-term target, and extend the discussion to 2030,
 perhaps. For the comparability discussion, it might be helpful to
 compare pathways 1990-2020 with pathways 2012-2030 or 2020-2030 for
 different countries, Carlgren opined. Carlgren also thinks we need
 a process where our experts can work together (with political
 guidance), so the political credibility can be confirmed by experts.
 A final point on comparability is that Carlgren wants to discuss
 how other issues can be included in the measurement, such as
 financing and action against deforestation, for example. Carlgren
 said "for example, lower U.S. mid-term emission reduction targets
 might be compensated by larger contributions to financing".
- -- Financing: Carlgren told us that the EU is keen to achieve up-front financing for adaptation and capacity building. He noted that the Mexican proposal failed in the Italy-MEF, but believes that one way forward might be to propose financing for LDC's from the G20 (rather than for emerging economies). As for the architecture for financing, Carlgren hopes that there will be political will to solve it in the G20 Summit.
- $\,$ -- How do we work together, how do we match the timing of internal schedules?
- -- How do we coordinate and how do we present our expectations on China and other key developing countries.

- -- The Swedes will not propose to re-invigorate the U.S.-EU High-Level Dialogue on climate change, but Carlgren said Sweden is interested in engaging with a good dialogue between the U.S. and Europe.
- -- DCM thanked Carlgren and suggested that he also be prepared to focus on the strategic game plan for achieving progress on all four pillars of the UNFCCC process (financing, technology transfer, and adaptation, in addition to mitigation goals).
- 14. (SBU) Carlgren said he thought it could be a useful exercise to elaborate on different scenarios, depending on different outcomes in the legislative process in the U.S. Senate, and matching that with different outcomes in the international process. If the Waxman-Markey bill will not be ready in time for COP-15, what COP-15 outcome could be helpful in order to advance the bill in the Senate? What is needed for Europe? Carlgren understands that the climate issue is a more burning issue among the electorate in the EU than in the U.S. He noted that the climate issue can impact election results in Europe, but not in the U.S.
- 15. (SBU) DCM noted the importance of the climate change issue in the European public, and suggested a low key public affairs posture in the fall, so as to not raise expectations about Copenhagen. Carlgren agreed and noted that he has been particular about not using the term "ratifiable" agreement as the goal of COP-15, although that is what the Swedish Presidency still aims for. He said that in public remarks, he usually says that "he has no plan B, and that the best outcome in COP-15 will lead to even more work afterwards", but he and the Swedish government are careful not to condition success at COP-15 on a "ratifiable" agreement.
- $\P6$. (SBU) Carlgren further noted that he is surprised that the STOCKHOLM 00000526 002 OF 002

UNSYG has not used the potential of the UN system more. As a result, the MEF process has become more important, in Carlgren's opinion. In that spirit, he told us that Sweden is very interested in the potential of a MEF Leaders' meeting as we approach COP-15. He noted that he is aware of the G-77 reluctance, but he feels that strong political leadership would help advance the process. It will be imperative to advance the discussion as much as possible before COP-15, and a MEF Leaders' meeting might do just that, in Carlgren's opinion.

- 17. (SBU) Carlgren told us that the EU hopes that the Environment Ministers Council meeting on October 21 will decide on the full mandate for Copenhagen. The internal EU decision making on the climate mandate looks as follows:

 October 20: ECOFIN, on the mandate for financing
 October 21: Environment Ministers Council
 October 29-30: European Council, i.e. Heads of State and Government
- 18. (SBU) Comment. Tillander later told DCM that Carlgren would like Sweden to host a November MEF, especially if it could be at the leaders' level. Carlgren needs PM approval for this, and is seeking it at this weekend's Swedish Cabinet annual budget retreat. End comment.

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